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8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE NORTHERN DISTRICT OF CALIFORNIA
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11 GABANA GULF DISTRIBUTION, LTD., et No. C 06-02584 CRB
12 al.,

ORDER

13 Plaintiffs,

14 v.

15 GAP INTERNATIONAL SALES, INC., et
16 al.

17 Defendants.
18 _____/


19 Now pending before the Court is defendants' motion to dismiss. At oral argument,
20 plaintiffs asserted that, in the choice of law provision of the New Distribution Agreement, the
21 parties stipulated to be treated as California residents for purposes of the agreement.
22 Therefore, plaintiffs argued, Gabana satisfies the requirement of the California Franchise
23 Relations Act ("CFRA") that the franchisee be domiciled in California in order for the CFRA
24 to apply. Defendants responded by asserting that interpreting the choice of law provision in
25 this manner would contradict the clear intention of the legislature to restrict the application of
26 the CFRA to California franchises only. Neither party, however, at oral argument or in the
27 memoranda before the Court, addressed the interplay between California Business and
28 Professional Code sections 20010 and 20015 in light of these arguments. The Court hereby
ORDERS the parties to submit supplemental briefing on this issue no later than Friday,
August 11, 2006.

1 In particular, the parties shall address whether and to what extent section 20010
2 applies to section 20015. That is, does the choice of law provision of the New Distribution
3 Agreement “waive compliance” of section 20015? Or, is a stipulation by the parties
4 sufficient to satisfy section 20015’s residency requirement?

5 The parties’ submissions shall not exceed 10 pages.

6 **IT IS SO ORDERED.**

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9 Dated: August 8, 2006



CHARLES R. BREYER
UNITED STATES DISTRICT JUDGE

United States District Court

For the Northern District of California